GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:794
ANSWERED ON:21.02.2003
ISSUANCE OF RS.10 COINS
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Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Reserve Bank of India has decided to issue ten rupee coin;

(b) if so, the extent to which it will reduce the paper currency in circulation;

(c) whether the Government are aware that people prefer currency notes of small denomination;

(d) if so, the steps proposed to be taken by the Government to ensure adequate circulation of currency notes of small denomination particularly of Rs.5 currency notes; and

(e) the details of the policy prepared by the Government in this regard?

Answer

MINISTER OF STATE IN MINISTRY OF FINANCE AND COMPANY AFFAIRS(SHRI ANANDRAO V. ADSUL)

(a) & (b) A new series of coins is being planned that would include a coin in Rs.10 denomination too and the extent to which it will reduce the paper currency would be known only after a decision is taken as to the quantum of coins to be issued.

(c) Though people prefer small denomination notes of Re.1, Rs.2 and Rs.5, the coins issued in these denominations have also been accepted by people.

(d) With a view to supplementing the short supply of coins, notes of Rs.5 denomination were reintroduced in August,2001.

(e) The policy decision regarding coinisation of any currency note is taken keeping in view the percentage share of that particular denomination to total currency notes in circulation, both volume-wise and value-wise. The volume of Rs.10 denomination is almost 27% of the total volume of currency notes in circulation, whereas, the value of these notes is only 4% of the total value of notes in circulation. In view of the large printing and processing cost involved and the relatively short life span of these notes, it is proposed to coinise a proportion of the total requirement of Rs.10 notes.